

NYANDENI LOCAL MUNICIPALITY

ANNUAL PERFORMANCE REPORT 2007/2008 FINANCIAL YEAR

BACKGROUND

To ensure compliance with chapter 12 Section 127 (2) of the MFMA No. 56 of 2003 which states that every municipality and its entity must prepare an annual report for each year. This section further states that the Council of of a municipality must within nine months after the end of the financial year deal with the annual report of the municipality and of any municipal entity under municipality's sole or shared control in accordance with section 129.

LEGAL IMPLICATIONS

Municipal Finance Management Act No. 56 of 2003, chapter 12 , Section 127 (2), 121 (1) and 129.

HUMAN RESOURCE IMPLICATION

Nyandeni Local Municipality and the development agency's report were develop ed internally by staff.

FINANCIAL IMPLICATIONS

Printing costs estimated at R 50 000.00(fifty thousand rand)

RECOMMENDATIONS

1. Council to note the Annual Report for Nyandeni Local Municipality for 2007/2008
2. council Speaker, Cllr M.J. Sidelo to initiate and complete the oversight role of Council as per Section 129 on the 2007 / 2008 financial year annual report for Nyandeni Local Municipality.

A. SECTION NAME: COUNCIL AND EXECUTIVE

1. PURPOSE OF THE SECTION:

To ensure that all the committees of the Council including the Council hold their meetings as scheduled and keep resolutions record.

2. KPA's, OBJECTIVES, KPI's WITH TARGETS AND ACTUAL PERFORMANCE LEVEL (to be tabulated as follows)

Key performance areas	Objectives	Key performance indicators	Targets	Actual performance
Distribute and arrange archiving of minutes and agendas.	To ensure that all members of the Council committees are aware and attend the council and its committee meetings.	All members of the Council attend the meeting with all the necessary documentation and prepared to participate.	All the ordinary meetings of the Council and all its committees to have been held at the end of the financial year.	Preparation of the agendas and distribution to all the members of the council when there is a meeting.
Maintain minutes journal.	To ensure that all the minutes and reports of the Council and its committees are kept in a safe and place.	All the minutes, reports, recommendations and the council documents clearly filed in safe place.	At the end of the financial year when the auditors need any document regarding the council they must find it without wasting time	Opening files for every council document and keep those files in a safe place.
Provide administrative support for all Councillors and ward committees.	To ensure that all the Councillors are assisted administratively.	Every Councillor finds it easy to work and submit their reports to the office of the Speaker in time.	At the end of the financial year all the community needs are submitted to the office of the Speaker and ready to be incorporated into the IDP.	Typing the reports of the Councillors and submitting them to the office of the speaker
Arrange civic functions.	To ensure that the offices of the Councillors, (Mayor and Speaker) are able to meet with the Communities periodically.	All the community members know how the municipality operates and also meet their leaders.	To have well informed communities at the end of the term of the council.	Prepare the itinerary for both Mayor and Speaker together with the Executive Committee Members to attend to the Imbizos and other civic functions. Organise the necessary resources for those civic functions.
Enhance Public Participation	Monitor functioning of the ward committees and give support to them. Coaching	The ward committees have their meetings held and their sitting allowances paid to them. The CDW's monitor the	The Ward Committees must be able to submit their recommendations through their ward Councillors during the drafting of the IDP every financial	Received the ward committee reports every month and assisted in payment of their sitting allowances. Assisted the CDW's in organizing their

	the CDW learners and also coordinate their functioning.	service delivery of Government and report to relevant offices about the progress and challenges of service delivery.	year. All Government Departments must be aware about the work of the CDW's at the end of the financial year and they must also assist in giving the CDW's sufficient information and also utilise them to the fullest.	meetings and checked their reports to the Provincial Department of Local Government.
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3. SUBSTANTIATE PERFORMANCE VARIATION (positive and negative)

- a. Some standing committees were unable to hold their regulated meetings.
- b. Some ward committees reports and their attendance registers arrive late at the municipal offices and that hindered the payment of their allowances.
- c. The CDW's could not hold all their monthly meetings.

4. CHALLENGES EXPERIENCED

- a. Some standing committees were held randomly and that was caused by the fact that chairpersons ignored the schedule of the meetings and that caused serious challenges to the committee clerks because sometimes the standing committees would clash. This caused the problem of the committee meetings having no committee clerks.
- b. The random change of one of committee clerks to the office of the Mayor. That caused a problem because it was not well communicated and therefore it was difficult to do our duties with someone who had been taken from the mayor's office with out proper communication.
- c. Some standing committees could not hold their meetings due to the fact that some members of the committees could not attend the meetings.
- d. Some ward committees are still having outstanding allowances because their reports and attendance registers arrived late at the municipal offices.
- e. Some of the CDW's are experiencing difficulties working in the wards because of political interference sometimes and also the issue of the vastness of the wards they are working in.

INTERNAL AUDIT UNIT

PURPOSE OF THE DEPARTMENT

- To ensure compliance of our operations with legislation, policies, and set strategic objectives of the municipality.
- To provide an innovative, responsive and effective value.
- Internal Audit unit assists management in regards to:
 - o Controlling risk
 - o Monitoring compliance
 - o Improvement of efficiency and effectiveness of the control environment and governance processes.

AIMS AND OBJECTIVES

Internal audit strives to achieve the following:

- Evaluate the adequacy and effectiveness of
 - o Governance processes.
 - o Risk Management process
 - o Control process that assist management in their effort to achieve the strategic and operational objectives of Nyandeni Local Municipality.

INTERNAL AUDIT PERSPECTIVE

Internal Audit provides objective and independent assurance to management and Council that group processes are adequate for identifying the significant risks to which we are exposed and that the control environment is effective enough to manage these risks. Internal Audit recommends enhancements to risk management, control and governance processes where weaknesses are identified.

An Internal Audit charter, approved by the Audit Committees and reviewed annually, governs our internal audit activity. The charter defines the role, objectives, authority and responsibilities of the function.

An Internal Audit function reporting into Management and the Audit Committee exists within the organization. The function covers all of the departments that exist in the organizational structure. These departments are serviced using one risk based methodologies and co-operate technically and operationally with the stakeholders.

The head of Internal Audit report at each Audit Committee meeting and have a direct reporting line to the Chairman of the Audit Committee. He operates independently of executive management but have access to the Executive Council and the Chairman of the Audit Committee. For administrative and co-ordination purposes, he also report to the Accounting Officer on matters including Governance and Compliance. In the next three years we will have adopted and will full comply with the Standards for the Professional Practice of Internal Auditing.

Annually, Internal Audit conducts a formal risk assessment of all departments, incorporating management's assessment of risk, which is documented within the Pro Audit Advisor used for risk assessment. A comprehensive risk based annual audit plan is derived from this assessment, which identifies areas of focus. These are then confirmed with management and approved by the Audit Committee. High risk businesses and processes are audited annually, with other areas covered at regular intervals based on their risk profile. There is an ongoing focus on identifying fraud risk as well as auditing technology risks given our dependence on IT systems. In the past year, there was continued focus on reviewing and providing assurance on our readiness for Conventional Internal Audit Process and other new regulatory requirements. We also liaise with the external auditors to enhance efficiencies. The annual plan is reviewed regularly to ensure that it remains relevant and responsive, given changes in our operating environment. The audit committee approves any changes to the plan.

Internal Audit proactively reviews its practices and resources for adequacy and appropriateness, to meet our increasingly demanding governance and regulatory environment. Audit teams comprising qualified, experienced staff ensure that the function has the competence to match our diverse requirements. Where specific specialist skills or additional resources are required, these will be obtained from third parties as appropriate. The Internal Audit resources are subject to review by the respective Audit Committees at

least once a year.

Significant control weaknesses are reported, in terms of an escalation protocol, to the Audit, where rectification procedures and progress are considered and monitored at a detailed level by management. The Audit Committee receives a report on significant issues and actions taken by management to enhance controls.

Based on the various audits conducted during the year under review it was evident that the organization needs a full support of the management and be capacitated to meet the continuous increasing challenges faces the Internal Audit Function.

KPA's, OBJECTIVES, KPI's WITH TARGETS AND ACTUAL PERFORMANCE

Key performance areas	Objectives	Key performance indicators with targets	Actual performance
Three year rolling internal audit plan	To compile a three year risk based internal audit plan	Audit committee approved the risk based audit plan.	The audit plan for the 2007/2008 financial years is complete and has been tabled to management and was approved by the audit committee.
Audit execution	To assess the adequacy of internal controls and to make recommendations thereof.	Internal Audit reports	Internal Audit reports submitted and tabled at Audit Committee meetings.
Expenditure and payments cycle Audit	To ensure the effectiveness of internal controls and to make recommendations thereof.	Expenditure and Payments Cycle Audit Report	The Expenditure and Payments Cycle Audit Report for 2007/08 is complete and was tabled to management/audit committee
			Audit Report completed and was tabled to

Supply Chain Management (Management Requests) - Mahahana unstable Grounds	To ensure that proper Supply Chain Management procedures were followed in regards to awarding of contract to Sob's Trading CC	Audit Report	management
Supply Chain Management (Management Requests) - Cleaning Services Mentorship (Sobs Trading)	To ensure that proper Supply Chain Management procedures were followed in regards to awarding of contract to Sob's Trading CC	Audit Report	Audit Report completed and was tabled to management
Payments and Receipting Cycle Audit	To provide reasonable assurance that internal controls implemented effectively.	Internal Audit reports	Execution in Progress Report not tabled to management.

SUBSTANTIATE PERFORMANCE VARIATION

During 2007/2008 the Internal Audit manager was appointed by Council to act as the accounting officer of the municipality thus a vacume within the unit was created.

Two audits that had not been catered for in the audit plan for 2007/2008 were executed and reported accordingly to management and the audit committee.

As a result of abovementioned variation from the audit plan the unit did not get to execute all its planned audits due to budgetary constraints caused by the management requests.

CHALLENGES EXPERIENCED

The non appointment of internal audit staff for the period 2007/2008 was a great challenge and it affected the audit plan execution in a negative way.

OVERVIEW OF PLANS FOR THE NEXT FINANCIAL YEAR

As much as we have made a significant progress in enhancing the capacity within the Internal Audit Function, by appointing two additional audit staff member. For additional staff members to be effective we will embark on extensive training.

Also see **Annexure B (2008/2009 INTERNAL AUDIT PLAN)** for internal audit activities to be conducted next financial year.

SECTION : Communications

1. PURPOSE OF THE SECTION:

This Communications Section / office is charged with very important strategic function working under the office of the Municipal Manager (**Media & Community Liaison**) which are tabulated as follows (**Legal obligation**):

- Respond to the enquiries from the public and other organizations
- Coordinate production of Newsletters, pamphlets, brochures, posters, calendars, promotional material, annual reports, etc.
- Prepare visual aids and make public presentation
- Do all media relations / liaison
- Champion public participation
- Assist in the organizing of special events such as open days, visits, exhibitions and functions
- Present arguments on behalf of an organization/institution to government, other organizations and interests groups
- Foster and maintain investor and financial relations
- Marketing/communication to promote services
- Foster and maintain Government relations (lobbying)

02. KPA's , OBJECTIVES, KPI's WITH TARGETS AND ACTUAL PERFORMANCE LEVEL

<u>Key performance areas</u>	<u>Objectives</u>	<u>Key performance indicators with targets</u>	<u>Actual performance</u>
Coordinate production of Newsletters, pamphlets, brochures, posters and other promotional material	* Keep communities informed regularly in regard to Nyandeni Municipality's functioning * Promote/market our activities and programs making use of user friendly material understood by the Municipality's constituency in all corners of Nyandeni * All members (sectors) of the Community becoming proud of their Government and identifying themselves with the municipality with its Corporate image/identity	* Ensuring that a large number of Motivated and informed members of the public, this leads to a reduced number of complaints and dissatisfaction by our constituency I.R.T. service delivery * Majority of community members owning their Municipality with its programs * Quarterly newsletter production (04 times a year) * Organisation of all relevant posters and pamphlets for every activity the municipality held	* We managed to produce and distribute 25000 copies of our Newsletter in the first quarter, this assisted a great deal in disseminating information to all the wards, i.e. council resolutions, policies and municipality programs/activities * Production of Calendars and Diaries for the year 2008 making use of them as marketing material for the institution benefiting 80% of stakeholders that are working hand in glove with the municipality
Branding the institution and maintaining its corporate identity	* Keep the municipality as a caring institution which serves its people whose properties associated with the people of Nyandeni	* Most Government officials, Business sector and 40 % of each and every ward constituency is familiar with our Logo and colours	* Organized all relevant material i.e. seven Banners with Vision & Mission (tourists attraction areas) of the municipality which brands our institution nicely
Do media liaison in a way that benefits Nyandeni Council / Municipality	* Maintain the integrity and the credibility of our Municipality at a high level proactive in action by making use of the media harnessing its good working relations	* Create sound working relations with a number of Media houses i.e. UCR, Mthatha Fever, Pondo News, Ikhwezi, Daily Dispatch and Umhlobo W-FM (a little bit) * We are looking at strengthening our relations with the popular National Media Institutions / Houses both electronical and print	* I always responded to the enquiries from the Electronic and print media (UCR, Umhlobo Wenene-FM and Local Newspapers) whenever they do so, harnessing the integrity of the municipality * Arranged five live Radio slots and a live radio broadcast with the UNITRA Community Radio in during this financial year
Promoting all municipality activities/events and do mobilization	* Lets the media assist in the information dissemination to all Nyandeni Local Municipality corners	* Improvement of attendance by the Community members during Executive committee outreach	* Promoting Mayor's Cup (2008), Economic Indaba in East London on the 25-27 July 2007 including the Gala Dinner with expected

	* Ensure that all the community members owns and protect every service delivered to their door steps/wards * In steal sense of total involvement of all the Nyandeni voters in the running of all municipality affairs	programs in most wards (October to November 2008) * Increase (2008) in the number of Soccer teams participating in Mayor's Cup and new teams/clubs from other sporting codes participated as compared to 2007 * Full involvement of all progressive stakeholders in municipality programs across sectors	people and stakeholders playing their roles with the same ultimate objective of developing our area socially and otherwise through media adverts (print & electronic) * Do mobilization and promotion for the Executive Committee outreach program from the 24/08/2007 up to the end of October 2007
Marketing and promotion of Municipality services	* Ensure service excellence in our municipality as our motto at this level of governance	* A notable number of urban dwellers prepared to be registered as owners of properties ready to pay for rendered services by the municipality in a way increasing its revenue base better than previous years	* Assisted in promoting Municipality Traffic department services by orgnising radio slots and organized long lasting promotional material * Assisted in the Facilitated of data cleansing projects (houses in Ngqeleni & Libode) making use of the media and progressive stakeholders

3. SUBSTANTIATE PERFORMANCE VARIATION

No major variations

CHALLENGES EXPERIENCED:

- a. No enough personnel to execute all Communications tasks as dictated by the law.
- b. Insufficient funds budgeted yearly for communications as a strategic function.
- c. Insufficient funds to produce our Newsletter in each and every quarter, this puts the municipality in a situation where it does not frequently provide its constituency with relevant information even those who are unable to attend our Community meetings whenever we are rolling up our outreach programs interacting direct with the people.
- d. Lack of proper planning for all the municipality activities by the relevant departments so that Communications practitioners can perform their function (event management) in an effective way which always benefit the institution.
- e. No proper maintenance of working relations with the various sector formations that are in existence under the jurisdiction of the municipality.
- f. No proper planning of municipality activities which should culminate into the development of a **year planner** (Calendar of events) for the whole institution integrated to the ones of sector departments.

4. OVERVIEW OF PLANS FOR THE NEXT FINANCIAL YEAR

- a. Strengthening and reviewal of our Communications strategy
- b. Facilitating development of Communications policy
- c. Ensure total population of the organizational structure for smooth running of Communications as a strategic function
- d. Intensification of sound media and community liaison programs with the main focus to the far away rural areas of our municipality

SECTION NAME: LEGAL SECTION

5. PURPOSE OF THE SECTION (LEGAL SECTION)

- . The purpose of the department is to develop mechanisms to monitor deviations from legislation;
- . To advise the council through the Municipal Manager on all legal matters;
- . To review all legal correspondence and advice for outsourcing where necessary;
- . To review all municipal policies for legal compliance;
- . To co-ordinate the preparation and promulgation of Municipal By-laws;
- . To review and provide advice on all contractual engagements of the municipality;
- . To co-ordinate legal representation of the municipality;
- . To study all legal pronouncements and identify matters affecting the municipality.

6. KPA's, OBJECTIVES, KPI's WITH TARGETS AND ACTUAL PERFORMANCE LEVEL (to be tabulated as follows)

Key performance areas	Objectives	Key performance indicators with targets	Actual performance
LITIGATION MATTERS	To defend the Municipality against all litigations and prevent potential litigations in the following matters. In this matter the Applicant was appointed to do fencing at an amount of R133 350.00 but is claiming R201 133.15 over and above the amount at which he was appointed at. This Company is suing the municipality for sums of R171 874.19 which they are claiming are outstanding professional fees. The municipality contends and is adamant that there are no outstanding fees and is according defending the matter.	The matter was heard and judgement was handed down in favour of the municipality. Pleadings have been finished and closed and the matter is awaiting a date of trial.	KHOLEKILE THWANTWA vs NYANDENI LOCAL MUNICIPALITY (CASE NO.280/07 Iliso. The matter is currently on Appeal and we are awaiting judgement. Consultant (Pty) Ltd vs Nyandeni Local Municipality. The matter is currently awaiting a date of trial.
	In this matter the applicants applied for an interdict preventing the Municipality from continuing with the development of low cost houses in Libode. In this matter this company was suing the municipality for a sum of twenty nine thousands which was payment for seed that was	The applicants however withdrew the matter when it was already before the court and they were ordered to pay the costs of the application. The municipality defended the matter and the company later withdrew the action.	D. Bangani and 21 others vs Nyandeni Local Municipality. The matter has been completed. Panaar Seed (Pty) LTD vs Nyandeni Local Municipality. The matter has been completed.

	allegedly ordered by the municipality. In this matter the municipality was being sued for outstanding construction fees for the Municipal Building.	The municipality has since paid the outstanding money.	Mpumalanga construction vs Nyandeni Local Municipality The matter has been completed.
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7. SUBSTANTIATE PERFORMANCE VARIATION (positive and negative)

For the 2007/2008 financial year the section managed to achieve a 100% expenditure of its allocated funds.

8. CHALLENGES EXPERIENCED

It is difficult to budget effectively as one cannot anticipate correctly litigation that may arise in the course of the financial year.

9. OVERVIEW OF PLANS FOR THE NEXT FINANCIAL YEAR

Legal fees have been budgeted for, for the next financial year as there are a number of ongoing litigation matters.

ANNUAL PERFORMANCE REPORT 2007/2008

TECHNICAL SERVICES DEPARTMENT NAME

PURPOSE OF THE DEPARTMENT

The main function of the Technical Department is the provision and maintenance of roads and stormwater. The department also plays a role of coordination between Nyandeni and O.R. Tambo District Municipality on Water and Sanitation Related Projects. The technical department works hand in hand with the departments of Community service and Planning and development by providing technical guidance and implementing projects on behalf of both departments.

AIMS AND OBJECTIVES

1. To provide sustainable water and sanitation facilities to all the community of Nyandeni by the year 2010 and the eradication of the bucket system.
2. To provide rural access roads with a minimum 5 year lifespan with minor maintenance work.
3. To provide maintenance of roads
4. To facilitate the installation of land line telephone and cellular network in collaboration with Telkom and cellular service providers for better coverage.
5. To facilitate the provision of Grid and Non-Grid electricity in the Nyandeni jurisdictional areas.
6. To facilitate the provision of surfaced roads in both Ngqeleni and Libode Towns.
7. To alleviate the rate of unemployment by creating job opportunities (road constructions).
8. Assisting the emerging local contractors by organizing workshops and seminars

9. Assisting the community services department by overseeing the construction of their projects.

10. KPA's, OBJECTIVES, KPI's WITH TARGETS AND ACTUAL PERFORMANCE LEVEL

Key performance areas	Objectives	Key performance indicators with targets	Actual performance
1. Road Construction	Provision of gravel access road.	- Stage of completion will be indicated by issuing of the completion certificate ~ Annual target 8.5 kilometers with 1 low level crossing. - Stage of completion will be indicated by issuing of the completion certificate ~ Annual target 10.9 kilometers - Stage of completion will be indicated by issuing of the completion certificate ~ Annual target 5 kilometers - Stage of completion will be indicated by issuing of the completion certificate ~ Annual target 9.8kilometers - Stage of completion will be	MIG projects Misty Mount access road completed Thekwini to Hamsini access road completed Mamolweni access road completed Bhucula Access road completed Sundwana Access road

		indicated by issuing of the completion certificate issuing of the completion certificate ~ Annual target 6.4 kilometers	completed
2. Waste Management	Provision of Landfill site in Libode that is in standard with DEAT and DWAF	- Stage of completion will be indicated by issuing of the completion certificate Approval of the landfill site and its operation	Libode Landfill site project completed only awaiting operation permit from DWAF
3. Road construction	Provision of gravel access road.	- Stage of completion will be indicated by issuing of the completion certificate. ~ Annual target 13.5 kilometers - Stage of completion will be indicated by issuing of the completion certificate ~ Annual target 8.5 kilometers	Equitable share projects Mngcibe Access road completed Nqwera to Skalweni access road completed
4. Bulk services	Provision of services for Housing Development	- Stage of completion will be indicated issuing of the completion certificate.	Nggeleni Extension 5 bulk services project completed

		~ Annual target Availability of services	
5. Street surfacing	Upgrading of Libode Streets	-Stage of completion will be indicated by issuing of the completion certificate. ~ Annual target 1.8 kilometers.	Libode street surfacing project overlapped to the next financial year
6.Roads maintenance	Provision of access roads to school for easy access.	-issuing of completion report ~ Annual target 32 kilometers of roads.	<i>See annexure A for list of schools and wards.</i> Project completed.
O.R.Tambo Projects	D.M		
SANITATION			
1.Construction of toilets to villages)	Prevention of waterborne diseases	- Stage of completion will be indicated by issuing of completion certificated - ~ 20 villages to be constructed	<i>See attached annexure B for list of villages and wards .</i> Project completed

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- Key performance area

~ Target

SUBSTANTIATE PERFORMANCE VARIATION

For the 2007/2008 financial year the department managed to achieve a 100% expenditure on MIG funds.

CHALLENGES EXPERIENCED

Budget that is available for implementation of projects does not meet the needs for the community. The unavailability or shortage of transport to monitor sites has disadvantaged the department in terms of producing good quality of work. The departure and late replacement of a Road Technician in the middle of the financial year caused some major impact on the smooth running of the projects.

BUDGET FOR TECHNICAL

2007 / 2008

The 2007 / 2008 budget for Technical Services reflects the following allocations:

- | | |
|----------------------------|----------------|
| 1. Personnel Expenditure | R2,085,833.00 |
| 2. General Expenditure | R1,024,800.00 |
| 3. Capital Expenditure | R22,704,597.00 |
| 4. Repairs and Maintenance | R2,204,650.00 |

LIST OF PROJECTS AND THEIR BUDGETS DONE DURING THE YEAR UNDER REVIEW

The Technical Department has managed to implement MIG Projects with the 100% expenditure for these MIG projects. The following projects were implemented in this financial year 2007/2008.

PROJECT NAME		BUDGETED AMOUNT	NO OF KM
1. Misty Mount Access Road	-	R2,674,656.18	8.5km
2. Thekwini to Hamsini Access Road	-	R2,721,180.00	10.9km
3. Mamolweni Access Road	-	R1,320,426	5km
4. Bhucula Access Road	-	R1,730,210.00	9.80km
5. Sundwana Access Road	-	R1,661,322.00	6.4km
6. Mgcibe Access Road	-	R4,164,528.94	13.5km
7. Nqwera to Skalweni Access Road	-	R2,800,000.00	8.5km
8. Libode Landfill Site	-	R1,752,302.00	
9. Ngqeleni Extension 5	-	R1,900,053.36	

OVERVIEW OF PLANS FOR THE NEXT FINANCIAL YEAR

On the next financial year (2008/2009) MIG has allocated **R18,149,000.00** for the implementation of projects. The projects to be implemented are as follows:

Sibangweni Access Road, Lutsheko, Bomvini Access Road, Mhlatyana to Mlengana Access Road, Chophteyeni to Luthubeni Access Road and Mdumazulu Access Road.

ANNEXURES

ANNEXURE A

ROAD CONSTRUCTION PLANT

During this financial year the Technical Department has managed to finish the roads listed below using the Municipal Plant.

INHOUSE PROJECTS – CONSTRUCTED BY MUNICIPAL PLANT

NAME OF ROAD	WARD NO
1. Mafini completed	Ward 16
1. Nomandla	Ward 18
2. Mthombe	Ward 04

The department has been involved in the programme of providing the roads to school. A total of 32km of gravel roads were done under this programme in this financial year. The following Schools benefited in this programme:

NAME OF ROAD	WARD NO
1. Mphangane J.S.S	Ward No 08
2. Gunyeni J.S.S	Ward No 02
3. Lutholi J.S.S	Ward No 10
4. Bensile J.S.S	Ward No 11
5. Zoyisile J.S.S	Ward No 12

6. Tutor Ndamase	Ward No 03
1. Mandlovini	Ward No 13
2. Lower Mngamnye	Ward No 15
3. Ngonyameni	Ward No 22
4. Buthongweni	Ward No 24
5. Buntini	Ward No 21

ANNEXURE B

SANITATION

The department working together with O.R.Tambo District Municipality managed to provide water and sanitation to some of the community of Nyandeni and thus improving their lives with better sanitation facilities and access to clean water. The following projects were implemented successfully under the 07/08 financial year:

WARD 4 DWAF Cholera DWAF Cholera			
	Qwempu / Mbhobheleni		completed
	Dungu		completed

WARD 8			
	Mphangana	Zink	Completed
	Moyeni	Block	Completed
	Marhubeni	Block	Completed

WARD 11			
Ward 11 sanitation	Mncipizeni Extension (Galili)	Pre Cast concrete	Completed
Ward 11 sanitation	Mdeni	Pre Cast concrete	Completed
Ward 11 sanitation	Gqabhata	Pre Cast concrete	Completed

Ward 11 sanitation	Mncipizeni	Pre Cast concrete	Completed
Ward 11 sanitation	Ngolo / Ngolo	Block M4	Completed
Ward 11 sanitation	Ziphunzana	Pre Cast concrete	Completed
Ward 11 sanitation	Lukhanyisweni / Moyeni	Block M4	Completed
Ward 11 sanitation	Mantanjeni	Pre Cast concrete	Completed

WARD 14			
DWAF cholera	Mqwangqweni	Corrugated iron	Completed
DWAF cholera	Mangwaneni	Corrugated iron	Completed

WARD 15			
Maqanyeni Sanitation	Poulini / Matanzima	Precast	Completed
Maqanyeni Sanitation	Poulini / Matanzima	Precast	Completed

WARD 16			
Japanese Sanitation	Zinkozweni	Block M4	Completed
Japanese Sanitation	Didi	Block M4	Completed

WARD 17			
Ward 7 Sanitation	Masameni	Block	Completed

ANNEXURE C



Construction of Ngqwera Access road



Low level crossing- Misty mount Access road

ANNUAL PERFORMANCE REPORT

2007/2008

NAME OF THE DEPARTMENT: PLANNING AND DEVELOPMENT

1. PURPOSE OF THE DEPARTMENT

Planning and Development Department had two years of existence during the year under review. Established during the 2005/2006 financial year, this Department was meant to look at the critical areas of development within the Municipality. Although it was started with only one person, it managed to increase its staff to at least 7 during the year under review. The Department has got three sections, namely;

- i. Local Economic Development
- ii. Housing Development
- iii. Town Planning and Spatial Planning

One of the major objectives of this Department is to develop the local economy of the Municipality. The Local Economic Development section was therefore conceptualized as a result of that objective. Agriculture, forestry, tourism and retail (inclusive of SMMEs) have been identified as important sectors that can drive the growth of the local economy of Nyandeni. The primary objectives of the local economic development is to create conditions that will allow growth to take place in the local economy and the local economy can grow significantly if there can be an integrated approach to local economic development. The integrated approach is premised on institutional collaboration and strengthening intergovernmental relations. This section had 3 staff personnel during the year under review.

The Housing Development and Spatial Planning section had only 2 people during 2007/2008 and its primary function is to address the housing challenges and backlog within the Municipality through the co-ordination and facilitation of housing development both in the town urban centres of Libode and Ngqeleni and in the rural areas. The Municipality source funds from the Provincial Department of Housing for housing development through this section of Planning and Development Department.

The third section of the Department, Town Planning and Spatial Planning focuses mainly on the planning of the town. It looks at areas of subdivision of land, land alienation, rezoning, zoning schemes and many other related issues. This section also focuses on spatial planning which includes the development and the review of Spatial Development Framework. This is the tool that guides future development of the Municipality. The section had only the Town Planner during the year under review.

2. KPA's, OBJECTIVES, KPI's WITH TARGETS AND PERFORMANCE

KEY PERFORMAMNCE AREAS	OBJECTIVES	KEY PERFORMANCE INDICATORS WITH TARGETS	ACTUAL PERFORMANCE
Agriculture in LED	To facilitate economic growth by increasing the contribution made by agriculture to GGP by 5% annually over five years. (This was based on a 5 year IDP of 2007-2011. This is calculated at 1% per year)) To promote self sufficiency and food security in each ward.	• To revive utilization of maize fields as source of massive food production • To plough & plant 600 ha from three different areas • To secure markets for maize • To sell 50% of the harvested maize at market value price • People acquiring more knowledge through skills development 1% growth of	• Ploughed and planted 300 ha of maize at Buthongweni, Mtyu and Nontswabu at a scale of 100 ha each area. • Fenced 100 ha at Mtyu • Fenced 50 ha at Nontswabu • Harvested maize for food security only due to quality of maize • Facilitated training of 5 members from each of the above project on project management (financed by O. R.

	To facilitate economic growth by increasing the contribution made by agriculture to GGP by 5% annually over five years. To increase awareness about agriculture as a driver of local economic growth and development in each ward.	economy by Agriculture to Nyandeni GGP. This will be proved by 10% participation of Nyandeni people to agricultural activities Production of honey and at least one processed product locally. Supplying 50% of the local market with locally produced products. Land development strategy is developed	Tambo DM) - Assisted 9 small scale farming projects on poultry and vegetable production - About 8-10 % of the locally produced products were sold to the local market. Some projects could not sell and used the produce as food security. - Provided training to about 60 projects members on poultry and vegetable production - Facilitated training on identified poultry production management for a period of five days including projects that were funded by the Municipality (O. R. Tambo DM) - Facilitated project site monitoring of
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			poultry projects to ensure application of training (O. R. Tambo DM) • Small scale farming projects have produced vegetables and chickens for meat • Partnership and provision of technical skills to agricultural projects by the extension officers of the Department of Agriculture.
Tourism	• To increase employment opportunities in the tourism sector by increasing tourism contribution to GGP by 6%.	• Tourism Organization reviewed • Tourism brochure developed and placed to various tourism information • Establish tourism information and populated organogram • Ensure tourist safety and safe swimming along	• Provision of 30 life guard to six beaches for a period of one months • Provision of life saving equipment to the six beaches • Development of first issue of Nyandeni Tourism Brochure • Provision of visitor's books to the existing tourist facilities for the main purpose of collecting data. • Opening of the tourism information office

	Develop at least one tourism site that is linked to the coast Awareness campaigns targeting the youth in all wards. Develop tourism infrastructure to create linkages in the sector.	the coast • Craft production centres developed at Hluleka and Nyandeni 6% growth of Nyandeni tourism development and industry (This was also based on a 5 year IDP). Apparently 1% growth should be achieved in each year. One tourism site is developed to link the interior with the coast. Tourism crime prevention strategy is developed.	• Establishment of the Nyandeni Tourism Forum • Development of two production centres at Hluleka (but not yet complete) • Successfully lobbied Department of Transport for tarring of Ntlaza to Hluleka road • Hosted festive bash as an initiative to popularizing Mdumbi beach as an alternative beach
Forestry	TO increase the	About 5 areas	We have not been

	contribution of forestry to GGP by 6% annually To ensure community involvement in forestry.	within Nyandeni benefit to the new afforestation Community participation in forestry in all the wards with plantations.	involved in forestry activities during the year under review. However negotiations were started with paper company to initiate the forestry development.
Retail and SMME Sector	To create optimum conditions for the retail sector by applying favourable town planning designs.	An increase in retail sector investment. Developments in towns will be guided by own planning scheme and regulations.	- Created conducive environment for retail to open business through subdivision of land for business purposes. - Valuation of sites for middle income and award of contract to the developer for the development of those.
Environmental issues	To develop a sound environmental planning framework. Increase environmental	Environmental management plan. Sustainable river basin. Indigenous medicinal plants	Our Municipality has done nothing on environmental issues during the year under review. However, plans are in place for the development of environmental management plan. DEAT

	awareness in all wards. To promote good health at ward level	project. All ward committees have an environmental awareness person. All urban centers to have a waste dumping site	has also funded indigenous medicinal plants to benefit the areas of Mngazi and Hluleka.
Manufacturing	To increase the contribution of manufacturing to GGP by 6% annually.	Production of essential oils and at least one processed product locally.	The feasibility study for the viability of the essential oils project to be piloted at Makotyana and Malungeni was conducted. The viability was to be conducted in one hectares of each area.
Housing	To ensure the provision of sustainable human settlements to qualifying beneficiaries both urban and rural.	500 housing units are being built in the Libode and 351 are being built at Ngqeleni. Also 300 units in each of the rural areas of Mhlanganisweni and Mampondomiseni.	The construction of 500 approved housing units in Libode had not taken place due to the lack of sewerage system. The Department of Housing in not willing to release funds and threatens to reverse funds if the sewer treatment plant issue is not

			addressed. • BKS Enginners is a consultant to a company that was appointed to install bulk internal service in this township and such project is almost 90 % complete. • The Ngqeleni Extension 4 housing project in Ngqeleni town had 420 housing units and 69 were built previously leaving 351 units and out of 351 outstanding 186 were completed during the year under review. • 165 units are still outstanding. • Out of the 186 completed, 107 were vandalized and needed remedial-work and renovations. • The Municipality has through the contractor; MSP Professional
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			Services renovated only 20 of the vandalized units. • This contractor left the site immediately after completion renovations, without notifying the Municipality. The Municipality reported this to the Department of Housing with the suggestion of termination of the contract between the Department and the contractor. • Of the entire 420 beneficiaries of Nggeleni Extensio 4, there were 31 who were outstanding at the Department and had not been approved. The Municipality had since got those beneficiaries and made them to sign the Subsidy application forms which were approved by the Department. Thsiki
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			and Sons, the conveyancers that were appointed to effect transfer of these houses into the names of beneficiaries has transferred 194 sites of this township. • The installation of Bulk-services like roads and internal services at Ngqeleni extension 5 where the 120 low cost units as completion to 420 units will be built. • A delegation from Nyandeni Local Municipality, Land claims Commissioner and from Department Local Government housing Department visited KZN on the 13 & 14 Feb. 2008.
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			The purpose of the visit • We were in a fact finding mission looking at the practicability of a proposed project i.e. Libode (500 units). • Looking into the Memorandum Of Agreement entered into between the KZN and Land Claims commissioner. • To gather more information in terms of; Bill of Quantities and even the challenges they had encountered when implementing the project.
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Town Planning and Spatial Development	To ensure that there is proper town planning and all development procedures are adhered to. To ensure that there is Spatial Development Framework that addresses urban, rural and the coastal areas	By ensuring that all application procedures for development are being followed. By ensuring that the Spatial Development Framework is in place and is being implemented. Also that the SDF is focusing on urban, rural and coastal area	• The Municipality had appointed Housing Solutions to develop a Zoning Scheme. • Applications for further funding for town planning were made to the Department of Local Government and Traditional Affairs

3. SUBSTANTIATE PERFORMANCE VARIATION (positive and negative)

Agriculture:

- The Budget that was available on farming was meant to cater for 600 hectares but ended up planting 300 hectares, the reason being that we started very late due to late recruitment of tractor drivers. The request for such recruitment was done early but the Corporate Services Department took a very long time before the appointments were made.
- The high rainfall level during the peak season was another challenge

- The utilization of an old fertilizer and seed due to over supply of the previous year. The oversupply was as a result of the fault on the side of the company that was appointed to supply and deliver fertilizer which delivered 8700 bags instead of 6300 bags. That fertilizer was therefore used as old as it was with the intention of not buying a new fertilizer, but to pay the company for the over delivery.
- The closing of diesel account due to late payment by the institution. The Budget and Treasury Department could not effect payments in time and it is recommended that the staffing should be beefed up in that Department so that these delays do not recur in future.

Tourism:

- Establishment of Tourism Organization was not possible due to low level of tourism development of the area to deliver on the original purpose of the Tourism Organization that is marketing and networking.
- The Nyandeni craft production centre that was meant for Nyandeni could not be done due to allocation of funds allocated by DEAT to the Nyandeni Multi purpose centre which was also meant to incorporate craft centre

4. CHALLENGES EXPERIENCED

Agriculture:

- Low levels of community beneficiaries commitment
- Tractor breakdowns due to inexperienced personnel
- Late commencement of ploughing and planting
- The agricultural enterprises are very limited in their potential to increase the contribution to the Gross Domestic Product of the area due to a number of constraints. These are for example high levels of poverty within the area of Nyandeni which make beneficiaries unable to take their produce to the markets but instead address poverty in their households. The massive food programme and other Government Department's food security programmees are some of the measures undertaken to address these constraints.
- The communal farming areas are characterized by low technical input, high costs of production, low yield, poor infrastructure (fencing) and support services.
- Decline of the agricultural sector within the District
- Lack of involvement of young generation specifically to massive production projects (maize)

- Inadequate integration of planning and implementation objectives and activities between role players within the agriculture sector

Tourism:

The Municipality had through its LED Strategy identified and prioritized tourism as one of its economic sector. The budget therefore that was allocated to tourism could not support all the programmes that were identified to support it, due to limited resources. Some of the challenges that were faced regarding tourism include:-

- Lack of integrated tourism plans in place
- poor coordination of tourism activities
- Non-existence of a database on crafters and their products
- Basic infrastructure e.g. signage, bulk services, etc
- Dedicated tourism personnel

Housing

Challenges that were identified during the year under review and which surround housing developments include:-

- Some of low cost sites have no meter-boxes.
- No street-lights
- Sewer-line needs to be attended to.
- Happy letters have not been signed.
- PSC not functioning well.
- Approximately 30% of them in Ngqeleni are occupied by temporal beneficiaries and it is difficult to get rightful-owners.
- Hand-over of houses have not been done.
- There is a need for relocation of beacons.

- Vandalized houses need to be repaired.
- HHO Surveyors who were doing installation of bulk services at Ngqeleni Extension 5 is complaining that the Nyandeni Municipality did not pay them for services rendered and as such they are not prepared to proceed with that job.

5. OVERVIEW OF PLANS FOR THE NEXT FINANCIAL YEAR

Agriculture:

- The need for the development of clear guidelines for the many role players engaged in the support of agricultural development
- The prioritization of Agricultural officer with technical and practical skills
- Diversification of the agricultural sector during budget allocation
- Improve provision of the packaged support programmes for the maize production projects
- Review of Departmental organization structure to cater for appointment of tractor drivers as permanent staff members

Tourism:

- Development of Tourism Sector Plan
- Improve budget allocation
- Secure external funding for prioritization of potential areas

6. BUDGET

This Department had a budget of R4, 373,504 during the year under review which was broken down as follows:-

- a) Personnel Expenditure - R2,167,124
- b) General Expenditure - R933,780
- c) Repairs and Maintenance - R10,600
- d) Capital Expenditure - R1,202,000
- e) An extract of the budget is hereby attached as an annexure

ANNUAL PERFORMANCE REPORT

COMMUNITY SERVICES

PURPOSE OF THE DEPARTMENT

- o To act as a link between the community and the institution.
- o It is also a link between the council and other government departments
- o Community Services Department plays a very important role in co – ordinating community programmes like:
 - Refuse removal
 - Sport facilities
 - Disaster Management
 - Public toilets
 - Libraries
 - Parks and gardens
 - Cemeteries
 - Special Programmes
 - HIV / AIDS
 - Public Safety
 - Free Basic Services
 - Pounds

AIMS AND OBJECTIVES

- To ensure effective provision and management of waste and refuse collection services to all households.
- To ensure cleanliness of our public spaces.
- To ensure that animals that are in the pound are healthy and safely
- To establish and maintain cemeteries in our area including the rural areas
- To ensure establishment of community parks and gardens.
- To provide means for prevention, management and response to disaster and fires
- To facilitate the promotion of health and hygiene and facilitate implementation of commitments by Department of Health.

- To reduce the rate of HIV / AIDS infection
- To ensure our institutional complies with national priorities on development and support of special groups
- To ensure provision and support for early childhood learning.
- To facilitate implementation of commitments by Department of Education in the Nyandeni area
- To support initiative aimed at supporting local skill based.
- To promote public safety and security.
- To provide and maintain local amenities and community facilities.
- To build capacity for regulation and enforcement of relevant by – laws
- To ensure fencing of public properties and places e.g. cemeteries, pounds, halls, store, etc

DEPARTMENTAL PERSPECTIVE

- o Community Services is responsible for refuse removal services to its areas of jurisdiction. Since the establishment of this municipality in 2000, this service has been provided to Libode and Ngqeleni towns and it was extended to include Ntlaza Taxi rank in 2007.
- o Our role as the municipality concerning Education matters is to facilitate and co – operate with the Department of Education for the provisioning of schools and education programmes. The municipality also ensures the co – operation of parents and students in so far as the education programmes are concerned.
- o Although it is the responsibility of SAPS to provide safety and security services, we as the municipality support crime prevention efforts by participating in local policing forums. Crime is the top ten priorities for the municipality in 2008 / 2009. In terms of the current programmes to deal with crime prevention, reduction and rehabilitation of offenders as well as support for the victims, the Station Commander listed the following:
 - Thuthuzela Care Center to support the victims of sexual offences which is located at St. Barnabas Hospital in Ngqeleni.
 - Training of CPF's aimed at combating the spread of crime and run awareness campaigns.
 - Establishment of street committees in our communities to assist SAPS
 - Encourage the use of cellphones to report unusual activities/ strangers/ cars in the area.

- o Health Services in the municipal area are the competence of the District Municipality but there are Environmental Health Practitioners who have been deployed to our municipality. These Environmental Health Practitioners assist the municipality in inspecting food, shops and dumping sites in our towns i.e. Libode and Ngqeleni.

Key performance areas	Objectives	Key performance indicators with targets	Actual performance
Waste Management	To ensure effective provision and management of waste and refuse collection to all households	To build Libode Landfill site by 2007 / 2008 financial year	- o Landfill site has been constructed and completed at an amount of R 1' 495 561. 78 - o Community people were involved since they were employed during the construction of the project. - o Department of Environmental Affairs inspected the site and it was not approved but the Technical Services Department is handling the matter with DWAF.
Cleaning	To ensure cleanliness of our towns i.e. Libode and Ngqeleni and our public spaces as well as Ntlaza Taxi Rank.	- o To employ at least 30 Street Cleaners per town by end of 2007 / 2008 financial year. - o To have some workers who will be working even on Saturdays - o To employ supervisors to monitor the work - o To employ truck drivers to collect the	- o Two truck drivers for Libode and Ngqeleni were employed. - o These two truck drivers were also given a task to supervise. - o Due to financial constraints we managed to employ 25 general workers for Libode and 25 for Ngqeleni. - o We managed to have workers to work even

		refuse	on Saturday's for 2007 / 2008 financial year but we stopped them due to budget constraints. - o We are planning to have shifts within our cleaners where the other group will work during the night and the other during the day. - o We are in process of buying tractors which will be more user friendly than trucks to remove waste. - o We are also assisting Mt. Nicholas and St. Barnabas Hospital by collecting their waste and being charged for that.
Pound Management Plan	To that animals that are in the pound are healthy and safer	- o Constructing pound that are in SPCA standard. - o To provide food, water as well as medication for all animals that are in the pound.	- o Both Libode and Ngqeleni Pound were constructed and completed - o Libode Pound was completed with an amount of R 204' 235. 56 and Ngqeleni with R 404 174. 00 - o We have six people employed in our pounds, three in Ngqeleni and three in Libode. - o We do not have stocked food for our animals but we buy

			medicine for any animals that are sick.
Cemetery maintenance	To establish and maintain cemeteries in our area including the rural areas	- o Cleanliness of our cemeteries - o Numbering of graves - o Establishment of grave yards in our rural areas	- o We bought grass cutters to maintain our cemeteries although these machines broke now and again because they are used by the whole institution. - o 5 casual workers were employed to clean the cemeteries - o We tried to get our graves numbered but we have not yet succeeded, we are checking with other municipalities - o Due to financial constraints the grave yards in rural areas are not yet established. - o We have people employed for our cemeteries
Supply of Free Basic Services	Facilitate and promote utilization of alternative energy sources	- o Evaluation of Indigent Policy - o Establishment of Indigent Register. - o Distribution of paraffin to all indigent households of Nyandeni Municipality	- o Draft Indigent Policy have been and given to DPLG for comments and corrections. - o Improvement Plan was sent by Department of Local Government and Traditional Affairs which contains corrections and comments on the Draft Indigent Policy. - o Once the policy is finished the Indigent

			Register will be formulated - o DPLGTA suggested that the distribution of paraffin must continue whilst the policy is being finalized. - o At least 16' 558 households have been declared as indigent from all wards in this municipality - o According to budget which was R 4 million, each household was to get 20 liters of paraffin for 2 months i.e. 10 liters per month for a period of six months. - o The paraffin was delivered four times in the following wards: 04, 09, part of 23, 25, 24, 01, 02, 03, part 11, 20, 07, 08, 10, 05, 19, 21, 22. These wards got the paraffin two times: 13, 14, 15, 16, 17, part 11, part 23. The following were delivered three times: 18 and 06. The paraffin was delivered once to ward 26 and 12. - o Some of the service providers that were awarded failed to
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			supply paraffin as per requirement and that led to some household getting their share once. o We have 5800 households that are still outstanding to balance their share with their counter parts. The procurement is in process.
HIV / AIDS Awareness Campaign	To reduce the rate of HIV / AIDS infection	- o Revival of Local Aids Council - o Establishment of Ward Aids Forums in all 26 wards.	- o LAC was revived which consist of all local stakeholders. - o At least four wards launched Ward Aids Forums whose duty was to drive HIV / AIDS awareness campaign at ward level.
Implementation of Special Programmes	To ensure that our institutional arrangement complies with National priorities on development and support of special programmes	- o Development of children's register by 2007 / 2008 for Nyandeni orphans and vulnerable children. - o Establishment and induction of Rural Women's Movement. - o Mobilization of youth in our area and formation of Youth Forums in our wards. - o Giving support to disabled people	- o We have one SPU Officer and one SPU Admin Clerk. - o Children's register was developed and distributed in some wards. - o Rural Women's Movement was launched and inducted with a clear programme of mobilizing women towards economic development. - o Youth Memorial was held in Libode as a

			strategy of mobilizing our youth. - o There was also Youth Imbizo which was at Ngqeleni Development Center as another strategy to mobilize our youth. - o Disabled People Organization in our local municipality requested the municipality to assist their members to various meetings and to buy poultry feed for their poultry project.
Public Safety and Security Unit	To promote public safety and security	- o Establishment of Traffic Department - o Establishment of Community Policing Forum in both Libode and Ngqeleni - o Mobilization of our communities against crime	- o Traffic Department was established and launched. - o We have one Chief Law Enforcement Officer, two Traffic Officers and 25 Security Assistants. - o Community Policing Forum was launched in both towns i.e. Libode and Ngqeleni. - o Sports Against Crime Programme was launched so as to mobilize on Youth Against Crime
Disaster Risk Reduction	To provide means for prevention, management and response to disaster and fires	o Reduction of disaster caused by fire	o International Strategy for Disaster Risk Management was launched on the 06th May 2008, where communities were

			educated about the danger of veld fires, candle lighting and negligence. o O. R. Tambo District Municipality conducted a pilot study on Community – Based Disaster Risk Assessment. This study was piloted in three wards i.e. 16, 21 and 19
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SUBSTANTIATE PERFORMANCE VARIATION

Community Services Department by its nature act as a link between the municipality and the community but to add to that there are other projects and programmes that are its competence.

Shortage of staff crippled our department and also a lack of commitment amongst those few that are there.

As a result of above mentioned reasons the department did not get to execute all its planned programmes and projects.

CHALLENGES EXPERIENCED

- o Shortage of staff
- o The budget constrains made it difficult to meet the needs of our department
- o Non appointment of HIV / AIDS Co – ordinator

OVERVIEW OF PLANS FOR THE NEXT FINANCIAL YEAR

- i. As much as we are trying to collect a revenue for this municipality through ticket fines, additional traffic officers can have a rapid collection of revenue
- ii. Increase in our departmental budget can also help us to meet the demands of this department

Budget and Treasury Office

Annual Report for the year 2008/2009 financial year

DEPARTMENT NAME: BUDGET AND TREASURY OFFICE

11. PURPOSE OF THE DEPARTMENT

The main objective of the BTO is to give support to the institution and provide good governance towards attaining the four strategic focus areas or clusters highlighted in the IDP. Within each cluster there are priority areas that are determined by considering the strengths and weaknesses of the municipality. For instance:

- Institution and Financial cluster priority areas include Municipal Assets, Policy and Legislative framework, Financial Management, Billing systems, Human resources, Budgeting and billing, Financial viability, and Institutional good governance. The following are the purposes of The Institution and Finance;

Institution and Finance	▪ To investigate and actively seek out other sources of funding and resource mobilisation ▪ Implementation on an effective financial management system and internal controls in the municipality. ▪ To ensure that there is a positive working capital. ▪ Implementation of an electronic based billing system. ▪ Revue training needs of the municipality regularly. ▪ Implementation of an asset management policy. ▪ Implementation of fund raising strategy. ▪ To ensure that there is a positive working capital. ▪ Implementation of a bar coded asset management system. ▪ Implementation of an effective system of financial management and internal controls in the municipality. ▪ Ensure proper and effective communication within council. ▪ Systematic organization committee system ▪ Systematic organisation committee system ▪ Institutionalise public participation ▪ Mobilise other spheres of government in service delivery in local government. ▪ Reduce exposure of municipality to losses resulting from
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	unregulated use of fleet. ▪ Reduce constraints caused by lack of transport. ▪ Create a viable working environment for employees and visitors. ▪ Effective and professional use of telephones. ▪ Develop and implement by-laws ▪ Promote transparency and information sharing ▪ Annual IDP review process ▪ Smooth supply chain management process.
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Departmental overview

The Budget and Treasury Office has implemented its Service Delivery Budget implementation Plan (SDBIP) successfully except one project for internal controls which would be completed in the 2008/2009 financial year. The council resolutions were implemented successfully affecting our department during the year. We managed to train three (3) experiential trainees from various sections i.e. Procurement, Expenditure and Information Technology from our community.

The dedication, commitment and team work has been a secret for the success of the department which resulted the municipality to receive the qualified opinion by office of Auditor General for the year 2007/2008 financial year. The Budget and Treasury Office standing committee has played a crucial role in changing things around.

The department has only one person resigned (accountant) for better position but the position was later filled.

12. KPA's, OBJECTIVES, KPI's WITH TARGETS AND ACTUAL PERFORMANCE LEVEL (to be tabulated as follows)

Key performance areas	Objectives	Key performance indicators	Targets	Actual performance
Annual Financial Statements	Compliance with MFMA and receive unqualified report	Completion of Annual financial Statements 2007/2008 financial year. Positive audit report by Office of Auditor General	Approval of AFS for 2008 on 30/08/2008 and getting unqualified report.	AFS completed and submitted within two month as per MFMA Qualified opinion received from audit report by AG
Internal Control and Procedure manuals handbook	Enhance controls for the Municipality	Development of Internal Controls and Procedure manuals	Approval of Internal controls and procedure manuals by Mid-year 2008.	Procedure manual development were developed but will be completed in the next financial year 2008/2009
Competent Personnel	Capacity Building	Capacity building of Budget Treasury Office staff. Internship program for the 2 staff for	To capacitate all budget and treasury staff as per our institutional	The program realized the main objective and is on going

		two year contract	Workers Skills Plan.	
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13. SUBSTANTIATE PERFORMANCE VARIATION (positive and negative)

Section Overview – EXPENDITURE

Key performance areas	Objectives	Key performance indicators	Targets	Actual performance
Development of Municipal Supply Chain Management Policy	SCM Policy improving our Local Economic Development	Developed SCM policy in line with National Treasury regulations	Our target is to have SCM policy that is in line with treasury regulations and local economic development.	SCM policy developed and implemented

This section ensures support to both internal & external through procurement systems and actual making of payments. We ensure support to all stake holders are paid within 30 days as per the Municipal Finance Management Act, act no 56 of 2003.

The Overall budget monitoring is done through Financial Management System which is reviewed monthly by the department. Data management is practised to ensure safe documents are produced when needed. The municipality Complies with the Supply Chain Management regulations.

We are proud that SMME's benefited from the municipality particularly the one coming from our area and the training for caterers was provided.

Statutory reports were submitted timeously such as section 71 and section 72 reports hence we received written compliments from the provincial treasury for an outstanding corporation and submission.

CHALLENGES

SCM Unit has one personnel which put a lot of pressure to deliver and there is constant increase on the work load. This has a potential risk as one person assigned in this section.

The financial management training for non-financial staff or managers is needed to eliminate bulk of queries from various departments to enhance the processes to be easier. The procedure manuals to enhance internal controls and update in financial management policies are a challenge due to lack of resources.

Section Overview – REVENUE

Key performance areas	Objectives	Key performance indicators	Targets	Actual performance
Municipal Property Valuation Roll.	Revenue enhancement and compliance	Development of an accredited Municipal Property Valuation Roll.	Developed Valuation roll as per MPRA of 2004	Municipal Property Valuation Roll developed but did not meet certain regulations when a notice for all property owners was issued. DPLG pledged some money for the extension of the project in the following year 2008/2009
Billing systems	Municipal Revenue collection increased by 50%.	Effective electronic billing system Other resource mobilization for revenue enhancement	To have a sound financial management system which will specifically addresses the challenges in billing system.	Billing system is effective used More than R30m collected from SARS which boosted our revenue
Debtors Data Cleansing	Improved billing and reliable data management	Updated customer information and data management	To have updated debtors information.	Database cleansing done and updated

The section is expected to ensure revenue enhancement strategy is implemented and collection of revenue from various stakeholders is done regularly through billing system. We have a responsibility to ensure good relations to all stakeholder / public private partners are maintain at all times.

Achievements

We managed to have various stakeholders meetings which was held on a quarterly basis for both Libode and Ngqeleni to ensure all queries, complaints are attended and also listened to what the community is expecting from the municipality.

The Billing system is done timeously as statement is sent to all rate payers or customers.

The Database cleansing for our customers was done to enhance the billing system. Banking was done twice a week due to low revenue collection and compares that with the cost of traveling about 60km to and from the banking institution.

The customer relation has improved as customers are attended on time in the front office

CHALLENGES

The main challenge with the department is the low collection of revenue due to non enforcement of credit control and debt collection policy which needs consultation process for the available by-laws. We have high rate of the unemployment in our area and the municipality is mostly rural.

Section Overview – Information Technology

Information Technology contributes to the smooth running of the overall institution through internet network, computer hardware, banking and internal / external communication. The Information (data management) is secured to ensure safe information through firewalls and encryptions.

Achievements

We have managed to achieve anti-viral system and networking/ link Ngqeleni office with the main office Libode for communication and access to Financial Management System.

We secured free hosting of our municipal website by sainet. The Upgrade of ms exchange (email server) so that our information would be much secure.

Our Financial Management System is a user friendly system which on the technical part we receive minimum complaints from users of the systems and the support is minimum.

We managed to train one experiential trainee to build capacity and give exposure and experience to such individual. We are proud to make such an impact and contribution to reduce unemployment to our youth in the community. We do this programme when funds permit.

Computer literacy was provided for all councilors in relation to internet and email, ms word, excel and power point. Data management is kept in a safe for unforeseen circumstances such as disaster as to recover the information.

CHALLENGES

Telephone management is needed and to secure system that will save the municipality lots of monies.

We have one personnel operating in this section which puts pressure on the whole department to perform better.

Our municipal website is not updated regularly due to shortage of skill and ineffective integration between our communication section and IT section

The Negative

The Municipality is faced with enormous challenges of curbing the weakness of Internal Control Systems and ensuring that effective system of financial management and internal control are fully implemented and adequately controlled. The Revenue of the Municipality is threatened as the Municipality is experiencing a lack of proper and inconsistent billing systems.

The Municipality is under-capacitated as it is in the process of reviewing and populating its Organogram. Skills Training needs to be implemented on an ongoing basis so as to capacitate the existing personnel.

14. OVERVIEW OF PLANS FOR THE NEXT FINANCIAL YEAR

The Budget and Treasury Office has plan in place for the completion of previous years projects that affects the next financial year 2008/2009 like the Internal Controls & procedure manuals and Development of Valuation roll as per Municipal Property Rates Act, act no 30 of 2004.

We plan to do more and achieve 100% of what is expected as per the Integrated Development Plan (IDP) and the Medium Term Revenue Expenditure Framework (MTREF). We commit constant improved budget monitoring and implementation of the internal controls and Procedure Manual.

The Department will also improve all relevant financial and IT related policies and develop more to tighten internal controls. There will be an upgrade in IT Infrastructure including our Server room to ensure daily backup and information management is protected. The development of electronic filing and wireless network will be a priority to enhance convenient working environment. The access of Nyandeni Local Municipality emails i.e web access will be done to ensure communication is improved.

ANNUAL REPORT FOR 2007/2008

NAME OF DEPARTMENT : CORPORATE SERVICES

PURPOSE OF DEPARTMENT : The department renders support service to the core service delivery departments of the

Municipality. The support service is rendered through provision and management of human resource, building institutional capacity, promoting sound labour relations and rendering Administrative support to the Institution.

1. HUMAN RESOURCE MANAGEMENT

Key Performance Area	Objectives	Key Performance Indicator	Actual Performance	Reasons for variation
Personnel Provisioning	Providing sufficient skilled personnel to the Municipality for efficient and effective service delivery	Filling of priority posts budgeted for: • Accountant • LED Officer • Committee Clerk • Road Technician • Asset Management Officer • Supply Chain Management Officer • Secretary to CFO • Cleaning Supervisor • Financial Management Interns x2 • Expenditure Officer • Expenditure Clerk • Temporary Tractor Drivers x5 • Town Planner • Cleaning Supervisor	Seventy two (72) employees were recruited successfully.	• Successful candidate for the position of Town Planner turned down the employment offer. The offer was made to a candidate recommended as an alternate who also turned down the employment offer. • Successful candidate for the position of LED Officer turned down the employment offer . The offer was made to a candidate recommended as an alternate who also turned down the

Key Performance Area	Objectives	Key Performance Indicator	Actual Performance	Reasons for variation
Staff establishment	Aligning Organizational Structure with the IDP for 2007/2008	- Excavator - Payroll Clerk - Casual Workers (52) for a Cleaning Programme for 2 Towns Council approved revised Organizational Structure	Reviewal of Organizational Structure completed and ready for adoption by Council.	employment offer. Posts to be re-advertised
Organizational Development	Reducing labour turn-over and attracting skilled personnel	Developing a retention strategy	Development of an Employee Retention Strategy document completed and ready for adoption by Council.	Labour turn-over: Resignations – 05 Deceased - 01
Efficient leave administration in line with SALGBC Agreement (December, 2003)	Maintaining leave administration in compliance with Basic Conditions of Employment Act, 1997 & SALGBC Agreement, 2003.	All employees not having leave days in excess of 48 days by the end of each leave cycle	Some employees have leave days in excess of 48 days to their credit.	Employees do not take annual leave as required in terms of the legislation & SALGBC Agreement and there is no monitoring thereof.
HUMAN RESOURCE DEVELOPMENT				
Developing Institutional Capacity	- Reducing illiteracy level among the low level category of employees - Implementing learnerships for students - Capacitating LED personnel with skills to promote local economic development	Enrolling 31 employees for ABET Appointing eight (08) students for learnerships Enrolling three (03) LED officials for 08 months LED learnership	30 learners completed learning and sat for examination 08 trainees appointed for experiential training but seven (07) completed. 03 officials enrolled but two (02) completed.	01 learner dropped out 01 student absconded 01 senior official cancelled due to work demands

Key Performance Area	Objectives	Key Performance Indicator	Actual Performance	Reasons for variation
	Improving institutional & community capacity	Implementing thirty- three (33) skills programmes for both unemployed and employed.	25 skills programmes implemented Certificate in Executive Municipal Development (09 months) attended by 3 Councillors & 1 Manager. Presentation/ Public Speaking skills programme attended by 42 Councillors. Diploma in Labour Law (03months) – 02 Managers & Legal Advisor. Assessor & Coach Course - 05 officials Practical Bodyguard Course -02 employees Train the Trainer Batho-pele Change Management - 02 officials IDP Training – 03 officials HIV/AIDS Co-ordinators Training -01 official Responsible Tourism Development Programme -01 Councillor & 01 unemployed community member. Programme in Intergrated Sustainable Rural Development – 24 unemployed community members. Certificate Programme in Management Development for	Some programmes are funded by DBSA and facilitated by Vulindlela. Some were rescheduled for 2008/2009

Key Performance Area	Objectives	Key Performance Indicator	Actual Performance	Reasons for variation
		Training sixty (60) unemployed community members on vegetable production and 20 on poultry production	Municipal Finance(06 months) – 02 Senior Managers & 01 Councillor • Minute Taking & Report Writing- 08 officials • Customer Care -08 officials • Risk Management Training- 11 Councilors & 24 Officials • IRP5 Training – 01 official & 01 Intern • Executive Leadership Development Programme (6 months) - 01 Councilor & 01 official • Moderator / Verifier – 05 officials • Advanced Computer Literacy(MS Word, Excel, Powerpoint) -20 officials • Occupational Health & Safety -63 General Workers & 07 Plant Operators • Records Management Course – 03 officials • Masters in Public Administration – 01 Councillor (Speaker) • Defensive & Economic Driving Course – 11 employees • Website Management Course- 02 employees. • Vegetable Production Training – 40 unemployed community members trained	Non- attendance due to communication breakdown. Non-attendance due to communication

Key Performance Area	Objectives	Key Performance Indicator	Actual Performance	Reasons for variation
			Poultry Production Training – 16 unemployed community members trained.	breakdown
Records Management	Effecting efficient management of records as prescribed by the National Archives and Records Service of South Africa Act, Act No. 43 of 1996. and the Eastern Cape Provincial Archives and Records Service Act.	Council approved File Plan	Draft File Plan submitted to the Provincial Archivist for editing	

2. ANNUAL BUDGET AND EXPENDITURE REPORT

VOTE	BUDGET AMOUNT	IST QUARTER ALLOCATION	ACTUAL EXPENDED	DIFFERENCE	REASONS FOR VARIANCE
Training-external	210 000		210 000		
Experiential Training	50 000		42 000	8 000-	Abscondment of Trainee
Bursaries	100 000		65105.45		Some learners did not submit the proof of registration resulting in non-commitment of funds. Some were credited with courses/ modules and this resulted in having them paying lesser amounts than the anticipated amounts.
Maintenance of New Municipal building and installations	220 000		180 256.16	39743.84-	Over-estimation of budget

VOTE	BUDGET AMOUNT	IST QUARTER ALLOCATION	ACTUAL EXPENDED	DIFFERENCE	REASONS FOR VARIANCE
Telephone Management	425 000		493 858.26	68858.26+	Lack of control over telephone usage
Auxilliary Services (cleaning material & equipment)	210 000		166642.92	43357.08-	Over-estimation of budget
Rental (printers & photo-copiers)	50 000		85314.14	35314.14+	Under-estimation of budget
Office Furniture	110 000		118 000	8000+	Under- estimation of budget
Printing & Stationery	321 000		311 866.03	913397-	Over-estimation of budget
Postage	2000		1035	965-	Over-estimation of budget
Electricity purchases	200 000		4000	196000	Over-estimation of budget



